

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MUSCAT 01101 120602Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 CIAE-00 INR-10 NSAE-00  
/041 W

-----071230 130525Z /12

R 120316Z AUG 78  
FM AMEMBASSY MUSCAT  
TO SECSTATE WASHDC 4571  
INFO AMEMBASSY ABU DHABI  
AMEMBASSY ATHENS  
AMCONSUL DHAHRAN  
AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT  
AMEMBASSY LONDON  
AMEMBASSY MANAMA  
USLO RIYADH  
AMEMBASSY SANA  
USDOC WASHDC

LIMITED OFFICIAL USE MUSCAT 1101

ATHENS FOR RTDO; USDOC FOR CAGNE

E.O. 11652: GDS  
TAGS: ECON, EFIN, MU, SA  
SUBJECT: NORTH-SOUTH ROAD PROJECT

REF MUSCAT 0833

1. ACCORDING TO SEVERAL SOURCES SAUDI ARABIA HAS AGREED  
TO FINANCE THE HARD SURFACING OF THE NORTH-SOUTH HIGHWAY  
BETWEEN NIZWA AND THAMRIT. THIS WOULD COMPLETE THE  
PAVING OF THE HIGHWAY BETWEEN MUSCAT AND THE COUNTRY'S  
SECOND CITY SALALAH. THE AMOUNT INVOLVED IS SAID TO BE  
AROUND \$250 MILLION, BUT IT IS NOT KNOWN WHETHER  
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PAGE 02 MUSCAT 01101 120602Z

SAUDI ARABIA IS MAKING A LOAN OR OUTRIGHT GRANT.  
CONSTRUCTION MAY BEGIN AS EARLY AS JANUARY WITH THE  
CONTRACT ALMOST CERTAIN TO GO TO CONSOLIDATED CON-  
TRACTORS CO. (CCC) (LEBANON), WHICH IS WELL  
CONNECTED WITHIN THE GOVERNMENT. THE FOREIGN  
MINISTER'S COMPANY IS THEIR AGENT. APPARENTLY  
THE PROJECT WILL BE EXEMPT FROM THE USUAL TENDERING

REQUIREMENT.

2. THERE IS ALSO SOME SUGGESTION, AS YET UNCONFIRMED, THAT SAUDI FINANCING HAS BEEN ARRANGED CONCURRENT WITH SETTLEMENT OF BORDER DISPUTES WITH OAN.

3. THERE IS PROBABLY AS LACK OF ECONOMIC RATIONALE FOR THIS HIGHWAY. IT HAS BEEN DESCRIBED AS A DEFENSE HIGHWAY. LOCAL CONTRACTORS HAVE BEEN AWAITING THE PROJECT FOR SOME TIME AND IT WILL NOT REVERSE THE OVERALL DECLINE IN CONSTRUCTION IN OMAN. ONE MAJOR FIRM CEMENTATION (LBANON) IS CLOSING DOWN EXCEPT FOR AN OFFICE MANAGER AND JOANNOU & PARASKEVAIDES (J&P) (CYPRUS) HAS TRANSFERRED MUCH OF ITS EQUIPMENT TO THE UNITED ARAB EMIRATES.  
SIZER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** HIGHWAYS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978MUSCAT01101  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** GS DG ALTERED  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780331-0139  
**Format:** TEL  
**From:** MUSCAT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780870/aaaacghe.tel  
**Line Count:** 78  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 54c28264-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 MUSCAT 833  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1758576  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NORTH-SOUTH ROAD PROJECT  
**TAGS:** ECON, EFIN, MU, SA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/54c28264-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014